HOUSING MARKET INFORMATION

RENTAL MARKET REPORT

Manitoba Highlights

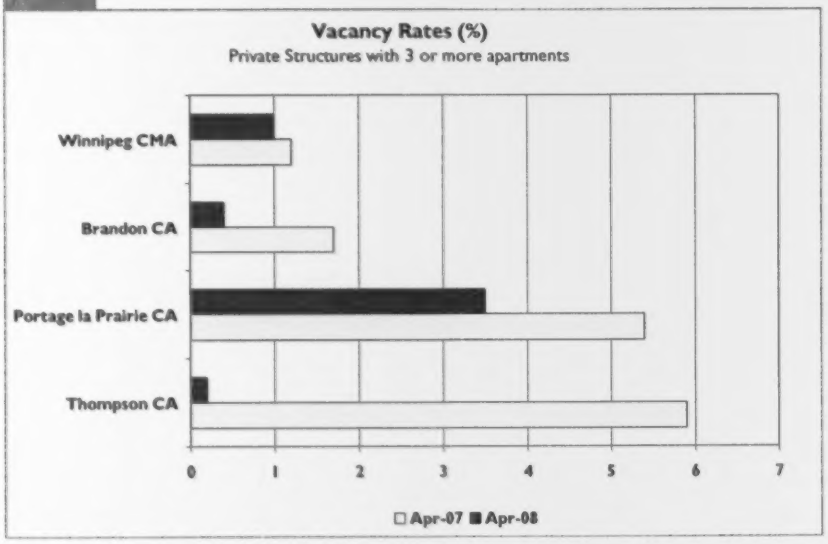
Canada Mortgage and Housing Corporation

Date Released: Spring 2008

Highlights

- The average apartment vacancy rate in Manitoba's urban centres decreased from 1.4 per cent in April 2007 to 1.0 per cent in April 2008.
- The 2008 vacancy rates ranged from a low of 0.2 per cent in Thompson to a high of 3.5 per cent in Portage la Prairie.
- Winnipeg reported a vacancy rate of 1.0 per cent, down from 1.2 per cent in April 2007, and the lowest on record.
- The provincial average rent for all unit types was $640 per month.

Figure 1



According to the results of Canada Mortgage and Housing Corporation's Spring Rental Market Survey, the vacancy rate in privately-initiated rental apartments in Manitoba's centres with a population of 10,000 or more decreased from 1.4 per cent in April 2007 to 1.0 per cent in April 2008.

The number of urban centres covered in this year's survey increased due to the inclusion of the City (CY) of Steinbach for the first time. According to Statistics Canada's 2006 census, Steinbach's population now exceeds 10,000. Even with the addition of a new centre to the survey, the rental apartment universe is still dominated by Winnipeg, which has nearly ninety per cent of all rental units in the province's urban centres.

The average apartment vacancy rate in Winnipeg fell to the lowest level on record, reaching one per cent in April 2008, down from 1.2 per cent in April 2007. The greatest contributor to the low vacancy rate in Winni-

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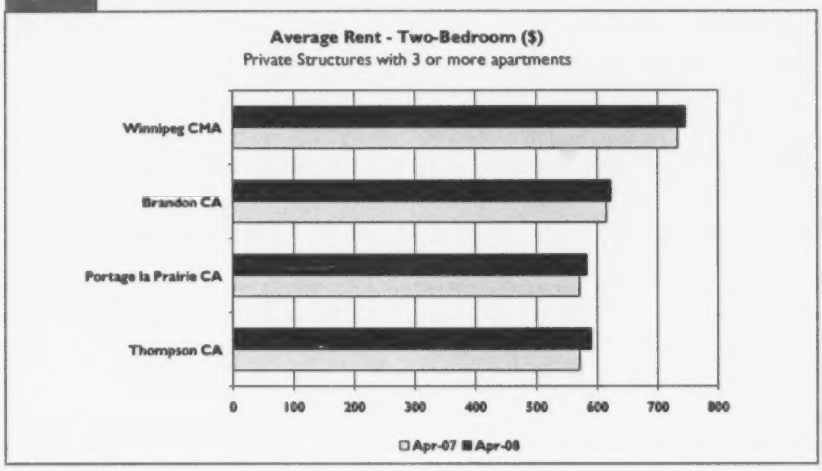
Figure 2



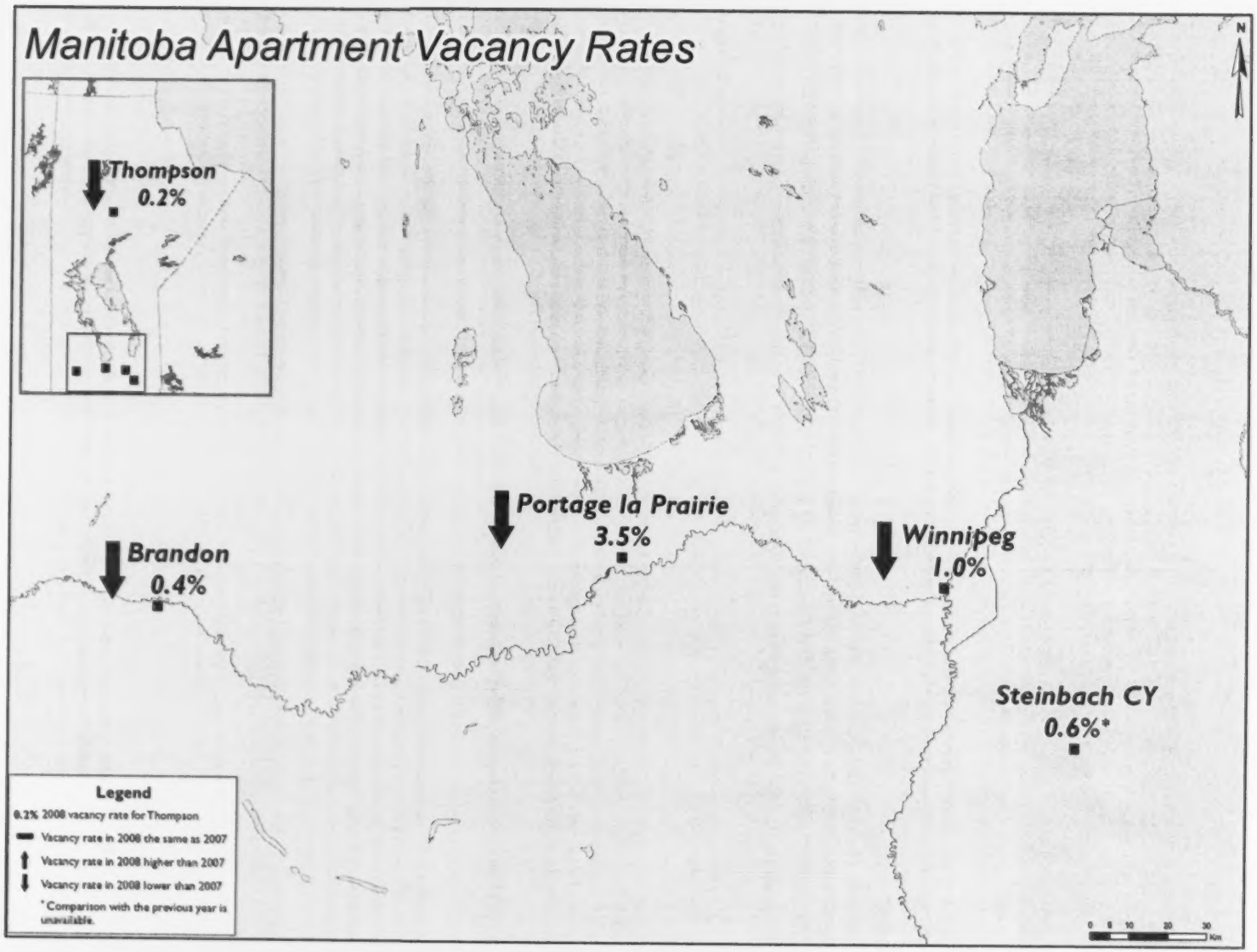
peg has been the influx of immigrants, particularly from international sources. In previous years, high levels of international migration have been offset by substantial outflows to other provinces, most notably Alberta and British Columbia. Recently, however, Manitoba has enjoyed a positive balance of interprovincial migration, with Winnipeg capturing the largest share of the migrants from both sources.

Along with Winnipeg's record low vacancy rate have come increases in the average apartment rent. Overall apartment rents moved from an average of $628 in the April 2007 survey to $648 in April 2008. The estimated 3.4 per cent gain in same sample rents exceeded the provincially mandated increase for two reasons. First, new rental construction has been exempt from the rent control guidelines for the last five years. As more rental units have been completed and the number of units exempt from rent controls makes up a larger share of the universe, it will lead to an upward bias in rents, particularly in a tight rental market. Secondly, landlords choosing to renovate a building may apply for an exemption to the rent increase guidelines, allowing them to recoup some of their renovation costs.

The lowest vacancy rate in the province was recorded in Thompson at 0.2 per cent. After the completion of renovation work at a major rental building, the units have been rented quickly, reflecting the demand for housing of all types in Thompson. Like Winnipeg, Thompson also saw the average rent for a two-bedroom unit increase twenty dollars in the past year to $562 per month.

Across the southern part of the province, vacancy rates have remained very low, thanks to record levels of migration and generally positive economic conditions. Brandon saw its vacancy rate move from 1.7 per cent in April 2007 to 0.4 per cent in April 2008, in large part due to the hiring activity of a major employer. The vacancy rate in Portage la Prairie also moved downward from 5.4 per cent to 3.5 per cent. Average rent for a two-bedroom unit in Brandon and Portage was $579 and $524 per month, respectively.

The city of Steinbach made its first appearance in CMHC's Rental Market Survey and reported a vacancy rate of 0.6 per cent and rent for the average two-bedroom apartment was $579. Steinbach has been one of the fastest growing communities in Manitoba since 2001, growing 20 per cent between the 2001 and 2006 censuses, and is seeing a corresponding strain on available rental units.


Manitoba Apartment Vacancy Rates
Thompson
0.2%
Portage la Prairie
3.5%
Brandon
0.4%
Winnipeg
1.0%
Steinbach CY
0.6%*
N
Legend
0.2% 2008 vacancy rate for Thompson
Vacancy rate in 2008 the same as 2007
Vacancy rate in 2008 higher than 2007
Vacancy rate in 2008 lower than 2007
* Comparison with the previous year is unavailable.
0 5 10 20 30
Km

1.1.1 Private Apartment Vacancy Rates (%) by Bedroom Type Manitoba

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08
Winnipeg CMA	1.3 a	2.3 c	1.2 a	1.0 a	1.3 a	0.9 a	1.0 a	0.7 a	1.2 a	1.0 a
Brandon CA	1.4 d	1.4 d	2.4 b	0.8 a	1.4 a	0.2 a	0.0 b	0.0 b	1.7 a	0.4 a
Hanover RM	n/u	n/u	n/u	n/u	n/u	n/u	n/u	n/u	n/u	n/u
Portage la Prairie CA	**	**	7.6 b	4.4 b	2.9 a	2.5 a	**	4.8 a	5.4 b	3.5 b
Steinbach CY	n/u	0.0 a	n/u	0.0 a	n/u	1.0 a	n/u	0.0 a	n/u	0.6 a
Thompson CA	0.0 a	0.0 a	14.2 a	0.2 a	0.0 a	0.3 a	3.4 a	0.0 a	5.9 a	0.2 a
Manitoba 10,000+	**1.4 a**	**2.2 c**	**1.5 a**	**1.0 a**	**1.3 a**	**0.8 a**	**1.2 a**	**0.7 a**	**1.4 a**	**1.0 a**

The following letter codes are used to indicate the reliability of the estimates:
a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)
** Data suppressed to protect confidentiality or data is not statistically reliable
n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click **Methodology** or **Data Reliability Tables Appendix links** for more details

1.1.2 Private Apartment Average Rents ($) by Bedroom Type Manitoba

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08
Winnipeg CMA	434 a	453 a	569 a	592 a	733 a	746 a	843 a	906 a	628 a	648 a
Brandon CA	381 b	391 a	491 a	502 a	616 a	623 a	680 b	707 a	568 a	579 a
Hanover RM	n/u	n/u	n/u	n/u	n/u	n/u	n/u	n/u	n/u	n/u
Portage la Prairie CA	302 a	312 b	461 a	468 a	572 a	583 a	539 a	560 a	512 a	524 a
Steinbach CY	n/u	335 a	n/u	520 a	n/u	624 a	n/u	702 a	n/u	579 a
Thompson CA	450 a	452 a	507 a	531 a	571 a	590 a	668 a	662 a	542 a	562 a
Manitoba 10,000+	**432 a**	**450 a**	**564 a**	**586 a**	**715 a**	**726 a**	**828 a**	**879 a**	**621 a**	**640 a**

The following letter codes are used to indicate the reliability of the estimates (cv = coefficient of variation):
a – Excellent ($0 \leq cv \leq 2.5$), b – Very good ($2.5 < cv \leq 5$), c – Good ($5 < cv \leq 7.5$)
d – Fair (Use with Caution) ($7.5 < cv \leq 10$)
** Data suppressed to protect confidentiality or data is not statistically reliable
n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click **Methodology** or **Data Reliability Tables Appendix links** for more details

1.1.3 Number of Private Apartment Units Vacant and Universe in April 2008 by Bedroom Type Manitoba

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total	Vacant	Total
Winnipeg CMA	78 c	3,461	279 a	27,282	176 a	20,544	7 a	1,013	540 a	52,300
Brandon CA	1 d	92	8 a	975	4 a	1,852	0 b	67	13 a	2,987
Hanover RM	n/u	n/u	n/u	n/u	n/u	n/u	n/u	n/u	n/u	n/u
Portage la Prairie CA	**	29	11 b	261	8 a	326	1 a	21	23 b	637
Steinbach CY	0 a	22	0 a	234	4 a	387	0 a	16	4 a	659
Thompson CA	0 a	56	1 a	661	3 a	863	0 a	27	4 a	1,607
Manitoba 10,000+	**82 c**	**3,661**	**299 a**	**29,413**	**195 a**	**23,971**	**8 a**	**1,145**	**583 a**	**58,190**

The following letter codes are used to indicate the reliability of the estimates:
a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)
** Data suppressed to protect confidentiality or data is not statistically reliable
n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click **Methodology** or **Data Reliability Tables Appendix links** for more details

1.1.4 Private Apartment Availability Rates (%) by Bedroom Type Manitoba

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08	Apr-07	Apr-08
Winnipeg CMA	2.0 b	3.9 d	2.0 a	1.4 a	2.0 a	1.3 a	1.8 c	0.7 a	2.0 a	1.5 a
Brandon CA	4.0 d	2.8 c	4.0 b	2.8 b	2.8 a	1.2 a	0.0 b	1.9 c	3.2 b	1.8 a
Hanover RM	n/u	n/u	n/u	n/u	n/u	n/u	n/u	n/u	n/u	n/u
Portage la Prairie CA	**	**	7.6 b	5.2 b	2.9 a	4.0 b	**	9.5 a	5.4 b	4.8 b
Steinbach CY	n/u	0.0 a	n/u	0.0 a	n/u	1.0 a	n/u	0.0 a	n/u	0.6 a
Thompson CA	0.0 a	0.0 a	14.2 a	0.2 a	0.0 a	0.3 a	3.4 a	0.0 a	5.9 a	0.2 a
Manitoba 10,000+	**2.1 b**	**3.8 d**	**2.4 a**	**1.5 a**	**2.0 a**	**1.3 a**	**1.9 c**	**0.9 a**	**2.2 a**	**1.5 a**

The following letter codes are used to indicate the reliability of the estimates:
a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)
** Data suppressed to protect confidentiality or data is not statistically reliable
n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click **Methodology** or **Data Reliability Tables Appendix links** for more details

1.1.5 Private Apartment Estimate of Percentage Change (%) of Average Rent [1] by Bedroom Type
Manitoba

Centre	Bachelor		1 Bedroom		2 Bedroom		3 Bedroom +		Total	
	Apr-06 to Apr-07	Apr-07 to Apr-08	Apr-06 to Apr-07	Apr-07 to Apr-08	Apr-06 to Apr-07	Apr-07 to Apr-08	Apr-06 to Apr-07	Apr-07 to Apr-08	Apr-06 to Apr-07	Apr-07 to Apr-08
Winnipeg CMA	n/a	3.6 c	n/a	3.3 a	n/a	3.1 b	n/a	4.6 d	n/a	3.4 a
Brandon CA	n/a	++	n/a	3.6 b	n/a	2.8 a	n/a	**	n/a	3.1 b
Hanover RM	n/a	n/u	n/a	n/u	n/a	n/u	n/a	n/u	n/a	n/u
Portage la Prairie CA	n/a	**	n/a	2.1 b	n/a	1.3 a	n/a	**	n/a	2.1 a
Steinbach CY	n/a	n/u	n/a	n/u	n/a	n/u	n/a	n/u	n/a	n/u
Thompson CA	n/a	2.1 a	n/a	4.0 a	n/a	3.7 a	n/a	2.8 a	n/a	3.7 a
Manitoba 10,000+	**n/a**	**3.5 c**	**n/a**	**3.3 a**	**n/a**	**3.1 b**	**n/a**	**4.5 d**	**n/a**	**3.4 a**

[1] The Estimate of Percentage Change is a measure of the market movement, and is based on thoses structures that were common to the survey for both years.

The following letter codes are used to indicate the reliability of the estimates:
a – Excellent, b – Very good, c – Good, d – Fair (Use with Caution)
** Data suppressed to protect confidentiality or data is not statistically reliable
++ change in rent is not statistically significant. This means that the change in rent is not statistically different than zero (0)
n/u: No units exist in universe for this category **n/s:** No units exist in the sample for this category **n/a:** Not applicable

Please click **Methodology** or **Data Reliability Tables Appendix links** for more details

METHODOLOGY FOR RENTAL MARKET SURVEY

Canada Mortgage and Housing Corporation (CMHC) conducts the **Rental Market Survey** (RMS) every year in April and October to estimate the relative strengths in the rental market. The survey is conducted on a sample basis in all urban areas with populations of 10,000 and more. The survey targets only privately initiated structures with at least three rental units, which have been on the market for at least three months. The data collected for a structure depends on whether it is an apartment or a row structure. The survey collects market rent, available and vacant unit data for all sampled structures. Most RMS data contained in this publication refer to privately initiated apartment structures.

The survey is conducted by a combination of telephone interviews and site visits, and information is obtained from the owner, manager, or building superintendent. The survey is conducted during the first two weeks of April/October, and the results reflect market conditions at that time.

CMHC's Rental Market Survey provides a snapshot of vacancy and availability rates, and average rents in both new and existing structures. There also exists a measure for the change in rent that is calculated based on existing structures only. The estimate is based on structures that were common to the survey sample for both the April 2007 and April 2008 Rental Market Surveys. The change in rent in existing structures is an estimate of the change in rent that the landlords charge and removes compositional effects on the rent level movement due to new buildings, conversions, and survey sample rotation. The estimate of per cent change in rent is available in all Canada and Provincial Highlights publications, and also in the CMA reports (fall survey only). The rent levels in new and existing structures are also published. While the per cent change in rents in existing structures published in the reports are statistically significant, changes in rents that one might calculate based on rent levels in new and existing structures may or may not be statistically significant.

DEFINITIONS

Availability: A rental unit is considered available if the existing tenant has given, or has received, notice to move, and a new tenant has not signed a lease; or the unit is vacant (see definition of vacancy below).

Rent: The rent refers to the actual amount tenants pay for their unit. No adjustments are made for the inclusion or exclusion of amenities and services such as heat, hydro, parking, and hot water. For available and vacant units, the rent is the amount the owner is asking for the unit.

It should be noted that the average rents reported in this publication provide a sound indication of the amounts paid by unit size and geographical sector. Utilities such as heating, electricity and hot water may or may not be included in the rent.

Rental Apartment Structure: Any building containing three or more rental units, of which at least one unit is not ground oriented. Owner-occupied units are not included in the rental building unit count.

Rental Row (Townhouse) Structure: Any building containing three or more rental units, all of which are ground oriented with vertical divisions. Owner-occupied units are not included in the rental building unit count. These row units in some centres are commonly referred to as townhouses.

Vacancy: A unit is considered vacant if, at the time of the survey, it is physically unoccupied and available for immediate rental.

Definitions of Census Areas referred to in this publication are as follows:

A census metropolitan area (CMA) or a census agglomeration (CA) is formed by one or more adjacent municipalities centred on a large urban area (known as the urban core). The census population count of the urban core is at least 10,000 to form a census agglomeration and at least 100,000 to form a census metropolitan area. To be included in the CMA or CA, other adjacent municipalities must have a high degree of integration with the central urban area, as measured by commuting flows derived from census place of work data. CMAs and CAs contain whole municipalities or Census Subdivisions.

All data presented in this publication is based on Statistics Canada's 2006 Census area definitions.

Acknowledgement

The Rental Market Survey could not have been conducted without the cooperation of the rental property owners, managers, and building superintendents throughout Canada. CMHC acknowledges their hard work and assistance in providing timely and accurate information. As a result of their contribution, CMHC is able to provide information that benefits the entire housing industry.

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